

**REMARKS/ARGUMENTS**

The Applicants respectfully request further examination and consideration in view of the amendments above and the arguments set forth fully below. Claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are pending in this application. Claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 stand rejected under 35 U.S.C. 103(a). By the above amendments, claims 1, 46, and 50 are amended. Accordingly, claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are currently pending in this application.

**CLAIM REJECTIONS UNDER 35 U.S.C. §103(a)**

10 Within the Office Action, claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are rejected under § 103(a) as being unpatentable over the article titled “recommend-it.com” (hereinafter “recommend-it”) in view of “How MileNet Works” (hereinafter “MileNet”). The Applicants respectfully traverse this rejection.

15 Recommend-it teaches a service whereby a first user can recommend a website to a second user. The recommendation comes in the form of an email sent by the recommend-it service to the second user. To initiate the recommendation, the first user completes a form provided by the recommend-it service. The recommendation form includes an option for the first user to receive a promotional newsletter. Although this option is presented on the same form that the first user fills out to recommend the website, the promotional newsletter is not an actual reward for making the recommendation because the promotional newsletter can be received regardless of whether the first user makes the recommendation. There is no hint, teaching, or suggestion within recommend-it that the first user makes a purchase as a prerequisite for making the recommendation. There is also no hint, teaching, or suggestion within recommend-it that the first user only receives a reward once a purchase is made by a second user, where the purchase by the second user is in response to a recommendation

sent by the first user.

MileNet is cited for offering a reward in exchange for a recommendation. The Examiner states that MileNet teaches a pyramid type of incentive wherein the first user increases their MileNet points based on friends and family installing and using MileNet. Mile Net is used by each user downloading the MileNet software. There is no purchase required for this download, nor is any purchase of a marketable entity associated with subsequently using the MileNet software.

A recommendation for a product or service that was not purchased, for example a service that is installed and used for free as in MileNet, is based on a time expense, that is the amount of time spent by the user that installed and used the service. In contrast, a recommendation for a product or service that was purchased is based on a financial expense. A time expense and a financial expense are viewed and valued quite differently.

The claimed limitations are differentiated from the combination of recommend-it and MileNet in that each purchase is affirmatively completed. Within the Office Action, the Examiner acknowledges that the combination of recommend-it and MileNet do not teach purchasing a marketable entity. Additionally, within the Response to Arguments section, the Examiner states that recommend-it presents the second users with advertisements, and that advertisements in general are used to entice a user to make a purchase. The Examiner concludes that recommend-it is a purchase based model because the advertisements are presented, which entice a customer to make purchases. However, the Applicants point out that the claimed limitations are directed to affirmatively completing a purchase. In stark contrast, advertisements are used in the hope of generating a future purchase. To draw the conclusion that using an advertisement is the same as affirmatively making a purchase is incorrect.

The claimed limitations are further differentiated from the combination of recommend-it and MileNet in that a purchase is required as a prerequisite for the recommendation. The Examiner states that the advertisements of recommend-it are presented to the second user. In other words, the

advertisements, and any subsequent purchasing associated with those advertisements, are presented after the recommendation is made by the first user to the second user. In contrast, the claimed limitations require a purchase as a prerequisite for sending the recommendation by the first party to the second party. In other words, the purchase is made, then the recommendation. This is not the same as 5 making the recommendation, then presenting the purchasing opportunity (advertisement) as taught by recommend-it.

The claimed limitations are still further differentiated from the combination of recommend-it and MileNet in that two separate purchases are made. First, the first party must make a purchase in order to be eligible to make the recommendation. Specifically, the claimed limitations are directed to 10 “transacting a purchase for a marketable entity by a first party” and “offering a reward to the first party in response to the first party purchasing the marketable entity.” The first party is only provided the opportunity to make the recommendation in response to the first party making the purchase of the marketable entity to be recommended. Second, the first party is only provided the reward once the second party makes a purchase of the marketable entity recommended by the first party. Not only do 15 recommend-it and MileNet fail to teach purchasing the marketable entity, which is acknowledged by the Examiner, but recommend-it and MileNet also fail to teach two separate purchasing events, each purchasing event required in the initiation of the recommendation and in the payment of the reward.

As previously discussed, the Examiner acknowledges that the combination of recommend-it and MileNet do not teach purchasing the marketable entity. However, the Examiner contends that it 20 would have been obvious for the first party to have bought the item and then to have recommended it to a second person. The Applicants respectfully disagree with this conclusion because both recommend-it and MileNet explicitly teach a free service, and therefore making either service purchase-based, as proposed by the Examiner, explicitly teaches against the teachings of recommend-it and MileNet.

MileNet explicitly states that the software is free to the user (MileNet, page 1, first paragraph).

MileNet specifically describes itself an advertiser driven model. It is well known that advertiser-based models make money by attracting user to their website, and to entice the users to click on the advertisements. Requiring the users to purchase the software restricts the number of users that will access the advertisements. Thus, the advertiser-based model would not require a user to buy access, 5 in the form of buying the software, to the advertisements. Completely different approaches are used for purchase-based models than for non-purchase-based models, such as the advertiser-based model, and as such are not interchangeable as suggested by the Examiner.

Recommend-it also teaches a free service. On page 1, line 2, recommend-it explicitly teaches that the recommend-it services are “100% FREE For Websites and Internet Users.” Additionally, 10 recommend-it includes advertisements, see page 4. As such, recommend-it is also a non-purchased based model. Finally, recommend-it explicitly indicates on page 4 that the WebDeck Software is “100% FREE.” As such, both recommend-it and MileNet explicitly contradict the Examiner’s assertion that the references are silent as to if the software is purchased. Both references explicitly teach that the recommendations are directed to free software, and are therefore not directed to a 15 recommendation that results in a purchase and a reward for the recommendation that is provided only when a related purchase is made, as claimed.

The amended independent claim 1 is directed to a method of marketing comprising the steps of: a) transacting a purchase for a marketable entity by a first party, b) offering a reward to the first party in 20 response to the first party purchasing the marketable entity, the reward is in exchange for a recommendation that results in a purchase of the marketable entity by a second party, the recommendation comprising a forwarding of a first e-mail message to the second party, the first e-mail message comprising a personalized referral for the marketable entity and a first set of data, the first set of data comprising a first serial number and a first URL link to a first Web site having an offer to

transact an exchange for the marketable entity, c) correlating the first set of data in the first e-mail message to data within a database, the data within the database comprising data relating to the reward offered to the first party, d) updating the database with an e-mail address of the second party provided by the first party, e) forwarding the first e-mail message to the e-mail address of the second party,  
5 wherein the marketable entity is selected from a group consisting of goods and services, and f) providing the reward to the first party if the second party purchases the marketable entity. As described above, the combination of recommend-it and MileNet do not teach that each purchase is affirmatively completed. The combination of recommend-it and MileNet also do not teach that a purchase is required as a prerequisite for the recommendation. The combination of recommend-it and  
10 MileNet also do not teach that two separate purchases are made. Both recommend-it and MileNet teach a free service and teach against a purchase-based service, and as such the proposed adaptation of recommend-it in view of MileNet teaches against the teachings of the cited references. For at least these reasons, the independent claim 1 is allowable over recommend-it in view of MileNet.

Claims 2-4, 6-10, 12-13, 15-21, 23, 27-30, 34-36, 40-41, and 43-45 depend from  
15 independent claim 1. As discussed above, claim 1 is allowable over recommend-it in view of MileNet. As such, the dependent claims 2-4, 6-10, 12-13, 15-21, 23, 27-30, 34-36, 40-41, and 43-45 are also allowable as being dependent on an allowable base claim.

The amended independent claim 46 includes transacting a purchase for a first marketable entity  
20 by a first party, offering a reward to the first party in response to the first party purchasing the marketable entity, the reward is in exchange for a recommendation of a second marketable entity substantially similar to the first marketable entity to a second party wherein the recommendation results in a purchase transaction, forwarding an e-mail to a second party, the e-mail comprising the recommendation for the second marketable entity by the first party, an e-mail address of the first party,

and a URL link to a Web site having an offer to transact a purchase for the second marketable entity, wherein the first marketable entity and the second marketable entity are selected from a group consisting of goods and services, and providing the reward to the second party if the second party purchases the second marketable entity. As described above, the combination of recommend-it and 5 MileNet do not teach that each purchase is affirmatively completed. The combination of recommend-it and MileNet also do not teach that a purchase is required as a prerequisite for the recommendation. The combination of recommend-it and MileNet also do not teach that two separate purchases are made. Both recommend-it and MileNet teach a free service and teach against a purchase-based service, and as such the proposed adaptation of recommend-it in view of MileNet teaches against the 10 teachings of the cited references. For at least these reasons, the independent claim 46 is allowable over recommend-it in view of MileNet.

Claims 47-49 depend from the independent claim 46. As discussed above, the amended independent claim 46 is allowable over recommend-it in view of MileNet. As such, the dependent claims 47-49 are also allowable as being dependent on an allowable base claim.

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Similarly, the amended independent claim 50 is allowable over recommend-it in view of MileNet for at least the same reasons as described above in regard to claims 1 and 46. Claim 51 depends from the independent claim 50. As such, claim 51 is allowable as being dependent upon an allowable base claim.

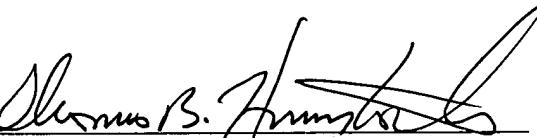
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## CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully 5 requested. If the Examiner believes that a telephone conference would expedite prosecution of this application, the Examiner is encouraged to contact the undersigned at (408) 530-9700.

Respectfully submitted,

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